

BEFORE THE STATE OF WASHINGTON
ENERGY FACILITY SITE EVALUATION COUNCIL

In the Matter of Application No. 99-1:

SUMAS ENERGY 2 GENERATION
FACILITY

STIPULATED WITHDRAWAL OF
BONNEVILLE POWER
ADMINISTRATION

I. Introduction

Sumas Energy 2, Inc. ("SE2") is seeking a Site Certification Agreement ("SCA") from the Energy Facility Site Evaluation Council ("EFSEC") to construct and operate the proposed Sumas 2 Generation Facility ("S2GF" or "Project").

Bonneville Power Administration ("BPA") is an agency of the federal government within the U.S. Department of Energy. BPA is a federal power marketing administration that markets electric power from 29 federal hydroelectric projects and some non-federal projects in the Pacific Northwest region. BPA's service area is comprised primarily of Oregon, Washington, Idaho, and western Montana and portions of California, Nevada, Utah and Wyoming. BPA's power sales account for approximately 40% of the electric power consumed in the region. In addition, BPA owns nearly 85% of the high-voltage transmission in the region.

BPA is also one of the agencies designated to act as the United States Entity which, in conjunction with the Canadian Entity, formulates and carries out operation arrangements necessary to implement the Columbia River Treaty.

II. Resolution of Issues

SE2 and BPA set forth the following recitals:

- Based on preliminary BPA transmission studies, SE2 acknowledges that currently there may not be sufficient available transfer capability ("ATC") to accommodate SE2's long-term firm transmission request for sales of SE2 generation into the U.S. without some non-major system upgrades. If SE2 decides to purchase such firm transmission rights over the Northern Intertie, SE2 acknowledges that it will have to pay for any upgrades or additional transmission and related facilities and services necessary, in accordance with BPA's transmission policies, to accommodate the requested firm transmission.
- Regardless of the firm transmission reserved for the return of the Canadian Entitlement, SE2 acknowledges that the current ATC coupled with any firm transmission requested by SE2 may, without sufficient upgrades to the system and given the current environment of regulatory change, be insufficient for the Canadian Entitlement obligation.

Therefore, based on these recitals, BPA stipulates to the withdrawal of all of its issues from the adjudicative hearing, and to the withdrawal of the prefled testimony of Anthony G. White.

DATED: July ____, 2000

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BONNEVILLE POWER ADMINISTRATION

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